



# LATEST CDA ISSUANCES

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**Cooperative Development Authority**

# TOPICS

1. MC 2016-07 AMENDED GUIDELINES GOVERNING THE ISSUANCE OF CERTIFICATE OF COMPLIANCE (COC);
2. MC 2015-04 | GUIDELINES IN THE IMPOSITION OF FINES AND PENALTIES FOR DELAYED SUBMISSION OF REQUIRED REGULAR REPORTS;
3. MC 2015-05 | GUIDELINES FOR THE REGISTRATION OF AGRICULTURE COOPERATIVE
4. MC 2015-03 GUIDELINES FOR THE CREATION, ORGANIZATION, SUPERVISION AND MONITORING OF LABORATORY COOPERATIVES;
5. MC2015-07GUIDELINES GOVERNING THE REGISTRATION OF MULTIPURPOSE COOPERATIVES;
6. MC 2015-11 | AMENDED POLICY GUIDELINES ON THE ESTABLISHMENT OF COOPERATIVE BRANCH;
7. MC 2016-05 | AMENDED GUIDELINES ON THE ESTABLISHMENT OF COOPERATIVE SATELLITE OFFICES;
8. MC 2016-03 | GUIDELINES IN THE IMPLEMENTATION OF CAPITAL BUILD-UP AND SAVINGS MOBILIZATION FOR LABOR SERVICE COOPERATIVES AND
9. CSF COOPERATIVE ACT OF 2015 RA 10744

# MC 2016-07 AMENDED GUIDELINES GOVERNING THE ISSUANCE OF CERTIFICATE OF COMPLIANCE (COC)

The image shows a Certificate of Compliance (COC) issued by the Cooperative Development Authority (CDA) in Manila. The document is on a light-colored background with a large, faint watermark of the CDA logo in the center. The logo features a stylized sun and the text 'OFFICE OF THE PRESIDENT' and 'COOPERATIVE DEVELOPMENT AUTHORITY'. The text on the certificate includes the following details:

- Republic of the Philippines**  
**Office of the President**  
**Department of Finance**
- CO No. 16-16-0014**
- COOPERATIVE DEVELOPMENT AUTHORITY**  
**Manila Extension Office**
- Certificate of Compliance**  
*is conferred upon*
- THE GREATEST ENVIRONMENTALISTS PRODUCERS COOPERATIVE**
- No. 11 J. Acuna St., Malanday**  
**Valenzuela City**
- CIN No. 16201630631**
- A cooperative duly registered with this Authority under Registration No. **9520-101600000030631** issued on **March 8, 2016** for being compliant with all the requirements under Memorandum Circular No.2015-08.
- This Certificate is issued upon request of the above-named cooperative which shall be valid and effective until **April 30, 2017**.
- Issued this **21<sup>st</sup>** day of **March 2016** in the City of Quezon, Philippines.
- ORLANDO R. RAVANERA**  
*Chairman*
- NONIE I. HERNANDEZ, CESO V**  
*Regional Director*



# LEGAL BASES

1. Article 113 of RA 9520;
2. Rule 8, Section 7 of the Revised IRR;
3. Section 13 (e) of Joint BIR –CDA Rules and Regulations and
4. Section 13 of RA6939.

# REQUIREMENTS

## ► For Micro Cooperatives



1. Cooperative Annual Progress Report (CAPR) which shall have the following attachments:
  - A. Financial Statements audited by any of the following:
    - 1) External auditor accredited by the Board of Accountancy (BOA);
    - 2) Audit Committee of the cooperative; or
    - 3) Audit committee of the federation or union where the cooperative is affiliated,
  - B. List of Officers and Mandatory Trainings Undertaken/ Completed;
2. Certification fee of P100.00

Micro cooperatives, however, are required to encode their CAPR through the web based system within six (6) months from the issuance of the COC.

# REQUIREMENTS

## For small, medium and large cooperatives

1. Copy of the electronically encoded Cooperative Annual Progress Report (CAPR) with the following attachment:
  - A. Social Audit Report including its program of activities pursuant to its socio-civic goals;
  - B. Performance Audit Report, including copies of the semi annual Report on mediation and conciliation as received by the Authority ;
  - C. Financial Statements audited by an External Auditor accredited by the CDA and
  - D. List of Officers and Mandatory Trainings Undertaken / Completed
  
2. Certification fee of P100.00

# REQUIREMENTS

## For secondary and tertiary cooperatives

1. Copy of the electronically encoded Cooperative Annual Progress Report (CAPR) with the following attachment:
  - A. Social Audit Report including its program of activities pursuant to its socio-civic goals;
  - B. Performance Audit Report, including copies of the semi annual Report on mediation and conciliation as received by the Authority ;
  - C. Financial Statements audited by an External Auditor accredited by the CDA ;
  - D. List of Officers and Mandatory Trainings Undertaken / Completed;
  - E. List of affiliates and cooperatives which have remitted their respective Cooperative Education and Training Funds (CETF);
  - F. Business consultancy assistance including the nature, cost, and the use of CETF; and
  - G. Other training activities undertaken specifying therein the nature, participants, and cost of each activity.
2. Certification fee of P100.00

# REQUIREMENTS



## For Electric Cooperatives

1. Copy of the electronically encoded Cooperative Annual Progress Report (CAPR) with the following attachment:
  - A. Social Audit Report including its program of activities pursuant to its socio-civic goals;
  - B. Performance Audit Report, including copies of the semi annual Report on mediation and conciliation as received by the Authority ;
  - C. Financial Statements audited by an External Auditor accredited by the CDA and
  - D. List of Officers and Mandatory Trainings Undertaken / Completed
2. List of Members issued with Share Capital Certificate.
3. Certification fee of P100.00



# REQUIREMENTS

## Cooperatives with less than one year of operation

1. Copy of the electronically encoded Cooperative Annual Progress Report (CAPR) with the following attachments.
  - Financial Status Reports signed by the Audit Committee and the Chairman of the Cooperative:
    - Statement of Financial Condition
    - Statement of Operation
2. Certification fee of P100.00

# REQUIREMENTS

- ▶ **For Newly Registered Cooperatives**

Upon registration, the COC shall be issued after payment of a Certification Fee of One Hundred Pesos (P100.00). Said COC shall be valid until April 30 of the immediately succeeding year.

# GROUNDS FOR NON-ISSUANCE OF A CERTIFICATE OF COMPLIANCE

1. Non-submission of the required reports ;
2. Failure to encode the CAPR through the web-based CAPRIS and submit the printed form generated by the system, except for micro cooperatives; However, micro cooperatives that failed to electronically submit the immediately preceding year's CAPR will not be issued a COC for the succeeding year.
3. Willful failure to comply with the mandatory trainings for officers;
4. Non-settlement of fines and/or penalty/ies for late or non-submission of mandatory reports except micro cooperatives;
5. The cooperative is undergoing Dissolution proceedings.


# GROUND FORS SUSPENSION OR NON-RELEASE OF COC

1. The cooperative has two or more sets of Board of Directors claiming to be the legitimate officers of the cooperative and the dispute becomes the subject of a verified complaint filed with the Authority;
2. The cooperative is complained of illegal activities and is subjected to an examination and/or investigation;
3. The cooperative is issued with cease and desist order to refrain from business operation and/or undertaking business activities.
4. The cooperative is found to have violated any of the provisions of MC No. 2015-11 and MC No. 2016-05 relating to the operation of Cooperative Branch and Satellite respectively.


# COVERAGE AND VALIDITY OF COC

The COC hereby issued shall cover the operations of the cooperative for the year immediately preceding the reporting period and shall be valid and effective until April 30 of the succeeding year.





**MC 2015-04 | GUIDELINES IN  
THE IMPOSITION OF FINES AND  
PENALTIES FOR DELAYED  
SUBMISSION OF REQUIRED  
REGULAR REPORTS**



# When Delay is Incurred

Delay shall commence on the day following the last day prescribed for the filing of reports. However, should the last day of filing fall on a Saturday, Sunday or non-working holiday, the last day for filing shall be the next working day.



# Cont...



If the delay is due to fortuitous events, including but not limited to fire, storms, or other natural calamities an order from any competent court or government agency; or a declared national emergency or public disorder including strikes and lockout, the period for such delay may be excused, provided that the Authority is given due notice within fifteen (15) days from the cessation of the cause of the delay. Thereafter, the cooperative shall be given another thirty (30) days to file the required report, the lapse of which shall consider the cooperative in delay.



# Total Loss or Destruction of Records due to Fortuitous Event or Force Majeure

Upon favourable recommendation of the concerned Extension Office Director, and upon approval of the Board of Administrators, the submission of the mandatory reportorial requirements may be waived in case of total destruction/loss of records and reports due to force majeure or fortuitous events.



# Waiver of Penalties

In order for said waiver to apply, the cooperative shall submit the following:

1. Certification issued by the Local Government Unit (LGU) or Barangay Certificate where the principal office of the cooperative is located stating the occurrence of such force majeure or fortuitous event;
2. Letter of application for relief in the submission of regulatory requirements signed by the Chairperson and/or the General Manager of the cooperative;
3. Damage Assessment Report

# Fines and Penalties



- ▶ Failure to file the required regular reports with the corresponding attachments on time shall subject the Accountable Officers to a fine of One Hundred Pesos (Php100.00) per day of delay.
- ▶ Electric Cooperatives shall be subject to an additional fine of P100/day for the delay in the submission of the List of Members Issued with Share Certificate.
- ▶ Micro Cooperatives which refer to cooperatives with assets of Three Million Pesos Php3,000,000.00 and below based on Audited Financial Statements for the covered Reporting Period, shall be exempted from the monetary penalties but may be meted the penalty of non-issuance of Certificate of Compliance.

# MC 2015-05 | GUIDELINES FOR THE REGISTRATION OF AGRICULTURE COOPERATIVE



# What is an Agriculture Cooperative?



It refers to a primary cooperative which or whose members are involve/engage in raising/culture of plants, animals, fungi, and other living organism for productive and economic purpose and in related activities that lead to the reduction of cost and/or value addition of outputs.

# What are the business activities of an Agriculture Cooperative?

The cooperative may engage in all or any of the following activities:

1. Raising, culture of plants, animals;
2. Facilitating the procurement of farm inputs/implements for the members;
3. Processing and marketing of the members products/produce;
4. Any other activities that lead to the reduction of cost and/or value addition of outputs.

The cooperative, in addition to the above mentioned activities may also engage in providing allied services such as but not limited to storage and transport of members' products/produce.



**MC 2015-03 GUIDELINES FOR  
THE CREATION, ORGANIZATION,  
SUPERVISION AND MONITORING OF  
LABORATORY COOPERATIVES**



# **WHAT IS A LABORATORY COOPERATIVE?**

It refers to a cooperative duly recognized by the Authority formed and managed primarily by minors, and is affiliated with another registered cooperative which is called the Guardian Cooperative.





# **ORGANIZATION OF A LABORATORY COOPERATIVE**

A cooperative may assist in the organization of a laboratory cooperative of fifteen (15) or more individuals who are minors, who may be students or out school minors, Filipino Citizens and are actually studying or residing within the nearest area of operation of the intended guardian cooperative



# **PURPOSES OF ORGANIZING A LABORATORY COOPERATIVE**

- To serve as a training ground for its members to prepare them for membership in regular cooperatives.
- To teach the values of thrift and saving mobilization among its members.
- To instill cooperative values, principles, financial discipline, business skills and leadership skills among its members.
- To promote and advocate Filipino social and cultural values, financial education, ecological awareness and sustainable development.



# AFFILIATION

- A Laboratory Cooperative shall be affiliated with a duly registered cooperative, to be known as the Guardian Cooperative. To serve as a training ground for its members to prepare them for membership in regular cooperatives.
- Students- School's cooperative
- Out of School youth- Chosen cooperative within or near its area of operation



# DUTIES OF A GUARDIAN COOPERATIVE

- ▶ Formulate the programs, plans, and activities appropriate for the education and training of the members of the Laboratory Cooperative;
- ▶ Supervise the conduct of Officers and General Assembly meetings of the Laboratory Cooperative;
- ▶ Represent the laboratory cooperative in its dealings and transactions with third parties;
- ▶ Formulate, adopt and implement of internal control policies and procedures of laboratory cooperative which shall be embodied in manual of operation for the Laboratory Cooperative;



# DUTIES OF A GUARDIAN COOPERATIVE

- Prepare, keep and maintain the list of members
- Submit an annual report on the activities and economic operations of the Laboratory Cooperative;
- **Maintain separate subsidiary ledgers, passbooks of members, and other accountable forms.**
- Adopt and implement a systematic procedure in the collection of savings deposits;



# **LIABILITY OF A GUARDIAN COOPERATIVE**

- The Guardian Cooperative shall be liable for any violations committed in the operation of the Laboratory



**MC2015-07**

**GUIDELINES GOVERNING THE  
REGISTRATION OF  
MULTIPURPOSE  
COOPERATIVES**



# Prohibition



No cooperative shall be registered as a multipurpose cooperative unless it has been in operation for at least two (2) succeeding year.


## Book of Accounts

Cooperatives covered by this Rule shall be required to maintain separate recording in the books of account for each business activity.




# Amendments for Existing Cooperatives

1. Multipurpose cooperatives found to be operating a single-business activity shall be required to register/amend as single purpose cooperative;
2. Any Multipurpose cooperative whose purpose indicated in the Articles of Cooperation has not been undertaken after two years from date of registration, said cooperative shall amend its Articles of Cooperation to delete the said purpose;and
3. Single-purpose cooperative found to be operating with more than one business/economic activity. Provided, that said cooperative has a paid-up capital of Php100,000.00 and above, Provided further, that if the minimum paid up capital is not met, the said cooperative shall cease its operation with regard to the other business activity.



**MC 2015-11 | AMENDED  
POLICY GUIDELINES ON  
THE ESTABLISHMENT OF  
COOPERATIVE BRANCH**





# What is a Branch Office?

It shall refer to a business office outside the principal office where cooperative activities and business operation are undertaken as per approved cooperative development plan. For purposes of this definition, cooperative activities shall refer to, but not limited to: acceptance and processing of membership, conduct of PMES and other trainings. While business operation means conduct of business activity/ies as stated in the objectives and purposes of the cooperative.

# Prequalification Requirements

1. Existence of members in the intended area for establishment of the branch;
2. Minimum Paid-up capital of the principal office:

<b>Paid-up Capital</b>	<b>Category of coop</b>
Php 10 million	Primary
Php 15 million	Secondary
Php 20 million	Tertiary


3. Operating Capital of the branch:

<b>Operating Capital</b>	<b>Category of CCoop</b>
Php 5 million	Primary
Php 10 Million	Secondary
Php 15 million	Tertiary


4. Has not incurred net loss for the last three consecutive years and the networth is progressing for the last three years.

# Continuing Qualification for a Branch Operation

1. Office Space;
2. Business signage as a cooperative branch office;
3. Manual of Operation;
4. Complete Management Staff;
5. Operations plan and budget;
6. **Maintenance of Books of Accounts;**
7. Conduct of full business operation;
8. Display of the following:
  - Certificate of Registration;
  - Certificate of Authority;
  - Business Plate/permit;
  - Certificate of Tax Exemption;
  - Operational Structure; and
  - Procedural Flow Chart of Business Transactions.
  - Appropriate logistics (e.g. computer, tables, chairs, cash register, cash vault or box, if applicable, etc.); and
  - Other conditions as may be determined by the Authority.



**MC 2016-05 | AMENDED  
GUIDELINES ON THE  
ESTABLISHMENT OF  
COOPERATIVE SATELLITE  
OFFICES**





# What is a Satellite Office?

It refers to an office established by a cooperative outside of its principal/main office but within its area of operation to provide limited services to its members but which does not however maintain books of accounts as it is done only by the principal/main office.

The term satellite office shall include an extension office, a sub-office or other terms of similar import.



# **Services/Activities Allowed in a Cooperative Satellite Office**

The cooperative satellite office shall render services and conduct business activities, which shall not be limited to the following:

1. Recruitment of members;
2. Acceptance of applications for membership;
3. Acceptance of loan applications;
4. Collection and acceptance of payments for share capital contributions, loans, and/or utility bills in the case of electric and water service cooperatives;
5. Release of loans, patronage refund, and interest on capital.





## Cont...

All applications for membership, loans and other business transactions accepted in the satellite office shall be endorsed to the principal/main office for appropriate action. In no case shall the satellite office exercise discretion on such matters.

# Administrative Guidelines

1. Presence of a signage as a cooperative satellite office;
2. List of specific transactions that may only be undertaken as approved by the cooperative's Board of Directors;
3. Presence of Operational Structure;
4. Submission of summary reports to the head office;
5. Presence of a Barangay Permit and a Mayor's Permit that should be posted in the office at all times;
6. **Maintenance of Accountable Forms (e.g. Cash Acknowledgement/Provisional/Official Receipt, vouchers, etc.);**
8. **Official Receipts showing payments of processing fees;**
9. Availability of appropriate logistics (e.g. personnel complement, computer, tables, chairs, cash register, cash vault of box, if applicable, etc);
10. Presence of a minimum number of personnel as determined by the principal/main office to effectively discharge the functions of the satellite office;
11. **Turn-over or deposit of all collections within the day to the account of the principal/main office or imprest system of handling cash; and**



**MC 2016-03 | GUIDELINES IN THE  
IMPLEMENTATION OF CAPITAL  
BUILD-UP AND SAVINGS  
MOBILIZATION FOR LABOR SERVICE  
COOPERATIVES**

# Treatment of collected CBU and Savings mobilization

**Capital Build-up** – Asset of the member and coop as depository of such money. It shall be posted in every ledger of the members and record as paid-up share once the amount thereof equals the required par value.

**Savings-** liability of the cooperative and withdrawable anytime



# **Bylaws/Policy and Subscription Agreement**

The Bylaws/Policy of the cooperative shall provide for the mode, manner and condition of payment of the members contribution to the capital build-up and savings mobilization .Members contribution to the capital build-up shall be covered by a subscription agreement.



## **Orientation on the Capital Build-Up and Savings Mobilization.**

Information on the capital build-up and savings mobilization including the mode, manner and condition of payment of the subscribed share capital shall be made known to the prospective members during the conduct of the Pre-Membership Education Seminar (PMES).



# Member Individual Written Authorization

In cases where the collection of share capital or capital build-up contribution is by salary deduction, the member shall **issue an instrument authorizing the employer to deduct from his/her salary an amount representing his/her share capital or capital build-up contribution** in accordance with Article 113 (3) of the labor code in relation to Article 58, RA 9520. Any deduction of said contribution from the payroll of any member without his/her written authority shall not be allowed.



## **Issuance of Share Certificate and Evidence or Proof of Deduction and Receipt of Payment.**

Every payment or deduction made from the members salary intended for payment of his/hershare capital or capital build-up contribution shall be covered by **an evidence or proof of deduction and receipt of payment issued by the cooperative.** The cooperative shall also issue a share certificate to the member based on the number of shares fully paid at least every end of the calendar year or unless otherwise provided for in the Bylaws.





# Effect of Termination of Membership

In case of termination of membership in the cooperative, all capital contributions and savings including earnings of such contribution, net of amount due to the cooperative **shall be refunded** to him/her subject to the provisions of Article 30 and 31 of RA 9520.